

BLANDING CITY
FINANCIAL STATEMENTS
JUNE 30, 2022

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Kimball & Roberts

A Professional Corporation
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Blanding City as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Blanding City as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and Utah Retirement Systems pension liability and contribution information be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2022, on our consideration of Blanding City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blanding City's internal control over financial reporting and compliance.

Kimball & Roberts, PC

Certified Public Accountants

September 13, 2022
Richfield, Utah

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2022

This discussion of Blanding City's (City) financial performance provided an overview of the City's financial activities for the year ending June 30, 2022. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, highways and public improvements, parks and recreation, and airport.

Financial Highlights

- * The assets of Blanding City exceeded its liabilities as of the close of the most recent year by \$52,869,262 (net position). Of this amount, \$10,465,853 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net position increased \$532,562. The revenues were less than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts in the General Fund.
- * At the close of the current year, the City's governmental funds reported ending fund balance of \$5,232,771 an increase of \$154,938 in comparison with the prior year. Approximately 27 percent of this total amount, \$1,894,277, is available for spending at the government's discretion (unassigned and assigned fund balances).
- * At the end of the current year, unassigned fund balance for the General Fund was \$569,096 or 34 percent of total General Fund expenditures.
- * Blanding City's total bonded debt decreased by a net amount of \$768,183 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Blanding City's basic financial statements. Blanding City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Blanding City's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of Blanding City's position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Blanding City is improving or deteriorating.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Blanding City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Blanding City include general government, public safety, highways and public improvements, parks and recreation, and airport. The business-type activities of Blanding City are water, sewer, electric, natural gas, solid waste, storm water operations and the EDA arts and conference center.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Blanding City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Blanding City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Blanding City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is always considered to be a major fund, and the Capital Projects Fund.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

Blanding City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Blanding City maintains seven types of proprietary funds. Enterprise funds are used to report the same function presented as *business-type activities* in the government-wide financial statements. A combining statement for these seven funds is shown elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Electric, and Natural Gas Funds, which are all considered to be major funds of Blanding City. There are also three nonmajor funds, Solid Waste, Storm Water, and the EDA Arts and Conference Center.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Blanding City.

The combining statement referred to earlier in connection with the four major and three nonmajor proprietary funds is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Blanding City, assets exceeded liabilities by \$52,869,262 at the close of the most recent fiscal year. By far the largest portion of Blanding City's net position (73 percent) reflects its investment in capital position (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, *these assets are not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

Blanding City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 5,753,678	\$ 5,369,651	\$ 9,573,663	\$ 9,339,451	\$15,327,341	\$14,709,102
Capital and other Assets	17,193,093	17,318,828	29,762,131	30,124,899	46,955,224	47,443,727
Total Assets	22,946,771	22,688,479	39,335,794	39,464,350	62,282,565	62,152,829
Deferred Outflows of Resources	216,305	193,270	59,187	20,736	275,492	214,006
Long-Term Liabilities	1,080,801	1,242,353	6,496,194	7,127,029	7,576,995	8,369,382
Other Liabilities	340,264	213,229	645,701	726,370	985,965	939,599
Total Liabilities	1,421,065	1,455,582	7,141,895	7,853,399	8,562,960	9,308,981
Deferred Inflows of Resources	614,197	466,436	511,638	254,718	1,125,835	512,754
Net Position:						
Net Investment in Capital Assets	16,049,049	16,218,828	22,692,859	22,757,224	38,741,908	38,976,052
Restricted	3,338,494	3,183,473	323,007	303,675	3,661,501	3,487,148
Unrestricted	1,740,271	1,557,430	8,725,582	8,316,070	10,465,853	9,873,500
Total Net Position	\$21,127,814	\$20,959,731	\$31,741,448	\$31,376,969	\$52,869,262	\$52,336,700

A portion of Blanding City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$10,465,853, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Blanding City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Governmental Activities

Governmental activities increased Blanding City's net position by \$168,083.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

Blanding City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 540,931	\$ 564,893	\$ 5,662,803	\$ 5,564,745	\$ 6,203,734	\$ 6,129,638
Operating Grants	462,853	682,669	214,984	-	677,837	682,669
Capital Grants	194,762	77,908	-	182,871	194,762	260,779
General Revenues:						
Property Taxes	308,104	276,810	-	-	308,104	276,810
Other Taxes	1,052,327	976,027	-	-	1,052,327	976,027
Impact Fees	-	-	16,770	2,700	16,770	2,700
Unrestricted Investment Earnings	55,433	45,267	14,565	19,285	69,998	64,552
Transfers In (Out)	160,500	160,500	(160,500)	(160,500)	-	-
Total Revenues	<u>2,774,910</u>	<u>2,784,074</u>	<u>5,748,622</u>	<u>5,609,101</u>	<u>8,523,532</u>	<u>8,393,175</u>
Expenses:						
General Government	103,037	486,389	-	-	103,037	486,389
Public Safety	783,562	538,340	-	-	783,562	538,340
Highways and Public Improvements	530,156	626,576	-	-	530,156	626,576
Parks and Recreation	879,327	781,697	-	-	879,327	781,697
Airport	310,745	220,722	-	-	310,745	220,722
Water	-	-	1,066,935	1,070,463	1,066,935	1,070,463
Sewer	-	-	460,032	467,686	460,032	467,686
Electric	-	-	2,694,717	2,548,497	2,694,717	2,548,497
Natural Gas	-	-	786,560	813,645	786,560	813,645
Solid Waste	-	-	127,389	193,240	127,389	193,240
Storm Water	-	-	248,510	46,725	248,510	46,725
Total Expenses	<u>2,606,827</u>	<u>2,653,724</u>	<u>5,384,143</u>	<u>5,140,256</u>	<u>7,990,970</u>	<u>7,793,980</u>
Increase in Net Position	168,083	130,350	364,479	468,845	532,562	599,195
Net Position - Beginning	<u>20,959,731</u>	<u>20,829,381</u>	<u>31,376,969</u>	<u>30,908,124</u>	<u>52,336,700</u>	<u>51,737,505</u>
Net Position - Ending	<u>\$21,127,814</u>	<u>\$20,959,731</u>	<u>\$31,741,448</u>	<u>\$31,376,969</u>	<u>\$52,869,262</u>	<u>\$52,336,700</u>

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

- * The City received capital grants from the State, Federal and local governments to assist in the purchase of equipment and construction costs for airports, parks, roads, recreation, and water projects.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities

Business-type activities increased Blanding City's net position by \$364,479, accounting for 68 percent of the total increase in the government's net position. Key elements of this increase are noted above on page 10.

Financial Analysis of the Government's Funds

As noted earlier, Blanding City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Blanding City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Blanding City's governmental funds reported combined ending fund balances of \$5,232,771, an increase of \$154,938 in comparison with the prior year. Approximately 10 percent of this amount, \$569,096, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is *restricted or assigned* to indicate that it is not available for new spending because it has already been restricted for: 1) Public Safety, \$36,998; 2) Road Trust account, \$1,441,906; 3) Roads, \$194,762; and 4) Construction, \$1,664,828. Funds were also assigned to: 1) Capital Outlay, \$1,324,469; and 2) Community Reinvestment Agency, \$712.

Proprietary Funds

Blanding City's proprietary funds provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Water, Sewer, Electric, Natural Gas, Solid Waste, Storm Water and EDA Funds at the end of the year were \$8,725,582. Other factors concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

General Fund Budgetary Highlights

There was an increase of \$81,543 from the original to the final budget for the General Fund.

Amounts funded out of prior year unassigned fund balance was \$149,040. During the year, however, actual revenues were less than budgeted revenues by \$532,134, and actual expenditures were less than budgeted expenditures by \$383,094, resulting in a net decrease in fund balance of \$149,040. The difference in projected revenues and expenses is largely due to the timing difference in projects being completed, including grant money being received and the actual expenditures for the projects.

Capital Asset and Debt Administration

Capital Assets

Blanding City's investment in capital assets for all of its governmental and business type activities as of June 30, 2022, was \$46,247,873 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and improvements and infrastructure, which includes highways, sidewalks, curb and gutter, vehicles and construction in progress and all business-type infrastructure.

The total additions in Blanding City's investment in capital assets, governmental activities, for the current year was \$1,035,859.

Blanding City's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 856,669	\$ 806,779	\$ 666,301	\$ 665,801	\$ 1,522,970	\$ 1,472,580
Water Rights	-	-	1,720,955	1,720,955	1,720,955	1,720,955
Buildings	2,664,921	2,807,592	2,786,413	2,842,149	5,451,334	5,649,741
Improvements and Infrastructure	12,438,046	12,940,739	23,504,172	24,494,556	35,942,218	37,435,295
Vehicles & Equipment	534,403	614,188	244,959	209,470	779,362	823,658
Construction in Progress	505,010	149,530	326,024	989	831,034	150,519
Total	\$ 16,999,049	\$ 17,318,828	\$ 29,248,824	\$ 29,933,920	\$ 46,247,873	\$ 47,252,748

Additional information on Blanding City's capital assets can be found in the notes to the financial statements.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2022

Long -Term Debt

At the end of the current year, Blanding City had total long-term debt outstanding of \$8,030,562. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), general obligation bonds, notes payable, and net pension liability.

Blanding City's Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes Payable	\$ -	\$ -	\$ 206,178	\$ 20,568	\$ 206,178	\$ 20,568
Revenue Bonds	950,000	1,100,000	6,543,088	7,156,129	7,493,088	8,256,129
Net Pension Liability	-	131,414	-	-	-	131,414
Compensated Absences	180,801	160,939	150,495	133,221	331,296	294,160
Total	\$ 1,130,801	\$ 1,392,353	\$ 6,899,761	\$ 7,309,918	\$ 8,030,562	\$ 8,702,271

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total fair market value of taxable property in the City. The maximum general obligation debt allowed is approximately \$4,000,000. The present general obligation debt outstanding is \$0.

Additional information on Blanding City's long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Blanding City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Blanding City Manager, 50 West 100 South, Blanding, Utah, 84511.

BASIC FINANCIAL STATEMENTS

BLANDING CITY
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,011,420	\$ 8,756,620	\$ 10,768,040
Restricted Cash and Investments	3,143,732	323,007	3,466,739
Accounts Receivable (Net)	75,729	469,906	545,635
Other Receivables	-	1,108	1,108
Property Taxes Receivable	230,643	-	230,643
Due From Other Governmental Units	292,154	-	292,154
Note Receivable	-	23,022	23,022
Total Current Assets	<u>5,753,678</u>	<u>9,573,663</u>	<u>15,327,341</u>
Noncurrent Assets:			
Note Receivable	-	167,731	167,731
Net Pension Asset	194,044	345,575	539,619
Capital Assets:			
Not Being Depreciated	1,361,679	2,713,280	4,074,959
Net of Accumulated Depreciation	<u>15,637,370</u>	<u>26,535,545</u>	<u>42,172,915</u>
Total Noncurrent Assets	<u>17,193,093</u>	<u>29,762,131</u>	<u>46,955,224</u>
TOTAL ASSETS	<u>22,946,771</u>	<u>39,335,794</u>	<u>62,282,565</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	<u>216,305</u>	<u>59,187</u>	<u>275,492</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 23,163,076</u>	<u>\$ 39,394,981</u>	<u>\$ 62,558,057</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 283,894	\$ 71,256	\$ 355,150
Accrued Liabilities	6,370	6,787	13,157
Deposits Payable	-	122,908	122,908
Bond Interest Payable	-	41,183	41,183
Notes Payable - Due Within One Year	-	28,165	28,165
Revenue Bonds Payable - Due Within One Year	<u>50,000</u>	<u>375,402</u>	<u>425,402</u>
Total Current Liabilities	<u>340,264</u>	<u>645,701</u>	<u>985,965</u>
Noncurrent Liabilities:			
Notes Payable - More Than One Year	-	178,013	178,013
Revenue Bonds Payable - More Than One Year	900,000	6,167,686	7,067,686
Compensated Absences	<u>180,801</u>	<u>150,495</u>	<u>331,296</u>
Total Noncurrent Liabilities	<u>1,080,801</u>	<u>6,496,194</u>	<u>7,576,995</u>
TOTAL LIABILITIES	<u>1,421,065</u>	<u>7,141,895</u>	<u>8,562,960</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	383,554	511,638	895,192
Unearned Property Taxes	<u>230,643</u>	<u>-</u>	<u>230,643</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>614,197</u>	<u>511,638</u>	<u>1,125,835</u>
NET POSITION			
Net Investment in Capital Assets	16,049,049	22,692,859	38,741,908
Restricted For:			
Bond Retirement	-	323,007	323,007
Roads	1,664,828	-	1,664,828
Airport	194,762	-	194,762
Public Safety - Courts	36,998	-	36,998
Road Trust Account	1,441,906	-	1,441,906
Unrestricted	<u>1,740,271</u>	<u>8,725,582</u>	<u>10,465,853</u>
TOTAL NET POSITION	<u>21,127,814</u>	<u>31,741,448</u>	<u>52,869,262</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 23,163,076</u>	<u>\$ 39,394,981</u>	<u>\$ 62,558,057</u>

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2022

Function/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Function/Programs Primary Government:						
Governmental Activities:						
General Government	\$ 103,037	\$ 261,041	\$ 4,125	\$ -	\$ 162,129	\$ 162,129
Public Safety	783,562	500	19,845	-	(763,217)	(763,217)
Highways and Public Improvements	530,156	-	274,240	-	(255,916)	(255,916)
Parks and Recreation	879,327	236,428	98,742	-	(544,157)	(544,157)
Airport	310,745	42,962	65,901	194,762	(7,120)	(7,120)
Total Governmental Activities	2,606,827	540,931	462,853	194,762	(1,408,281)	(1,408,281)
Business-Type Activities:						
Water	1,066,935	771,521	214,984	-	(80,430)	(80,430)
Sewer	460,032	542,934	-	-	82,902	82,902
Electric	2,694,717	2,926,711	-	-	231,994	231,994
Natural Gas	786,560	1,010,156	-	-	223,596	223,596
Storm Water	127,389	147,696	-	-	20,307	20,307
Solid Waste	248,510	263,785	-	-	15,275	15,275
Total Business-Type Activities	5,384,143	5,662,803	214,984	-	493,644	493,644
Total Primary Government	\$ 7,990,970	\$ 6,203,734	\$ 462,853	\$ 194,762	(1,408,281)	(914,637)
General Revenues:						
Property Taxes					308,104	308,104
Sales Taxes					997,406	997,406
Room Tax					35,606	35,606
Franchise Taxes					19,315	19,315
Impact Fees					-	-
Unrestricted Investment Earnings					16,770	16,770
Transfers In (Out)					14,565	14,565
					(160,500)	-
Total General Revenues and Transfers					1,576,364	1,447,199
Change in Net Position					168,083	532,562
Net Position - Beginning					20,959,731	52,336,700
Net Position - Ending					\$ 21,127,814	\$ 52,869,262

The notes to the financial statements are an integral part of this statement.

**BLANDING CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Fund Community Reinvestment Agency Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 486,989	\$ 1,523,719	\$ 712	\$ 2,011,420
Restricted Cash and Investments	2,072,904	1,070,828	-	3,143,732
Accounts Receivable	75,729	-	-	75,729
Property Taxes Receivable	230,643	-	-	230,643
Due From Other Government Units	95,227	196,927	-	292,154
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 2,961,492</u>	<u>\$ 2,791,474</u>	<u>\$ 712</u>	<u>\$ 5,753,678</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 82,479	\$ 201,415	\$ -	\$ 283,894
Accrued Liabilities	6,370	-	-	6,370
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>88,849</u>	<u>201,415</u>	<u>-</u>	<u>290,264</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Property Taxes	230,643	-	-	230,643
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Restricted For:				
Public Safety-Courts	36,998	-	-	36,998
Road Trust Account	1,441,906	-	-	1,441,906
Construction	594,000	1,070,828	-	1,664,828
Airport	-	194,762	-	194,762
Assigned For:				
Capital Outlay	-	1,324,469	-	1,324,469
CRA Fund	-	-	712	712
Unassigned:				
General Fund	569,096	-	-	569,096
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>2,642,000</u>	<u>2,590,059</u>	<u>712</u>	<u>5,232,771</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,961,492</u>	<u>\$ 2,791,474</u>	<u>\$ 712</u>	<u>\$ 5,753,678</u>

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
GOVERNMENTAL BALANCE SHEET RECONCILIATION TO THE STATEMENT OF NET POSITION
June 30, 2022

Total Fund Balances - Governmental Fund Types \$ 5,232,771

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 856,669	
Buildings	2,664,921	
Improvements Other than Buildings	12,438,046	
Equipment	534,403	
Construction In Progress	<u>505,010</u>	
Total		16,999,049

To recognize resources associated with pension assets and deferred outflows of pension resources:

Net Pension Assets	\$ 194,044	
Deferred Outflows of Resources Related to Pensions	<u>216,305</u>	
Total Pension Assets and Deferred Outflows of Resources		410,349

To recognize obligations associated with pension liabilities which are not current obligations and not recorded in the fund statements:

Deferred Inflows of Resources Related to Pensions	<u>\$ (383,554)</u>	
Total Pension Liability and Deferred Inflows of Resources		(383,554)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Sales Tax Revenue Bonds	\$ (950,000)	
Compensated Absences	<u>(180,801)</u>	
Total		<u>(1,130,801)</u>

Net Position of Government Activities \$21,127,814

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Non-Major Fund Community Reinvestment Agency Fund	Total
Revenues:				
Taxes	\$ 1,360,431	\$ -	\$ -	\$ 1,360,431
Licenses and Permits	32,678	-	-	32,678
Intergovernmental Revenue	394,823	262,791	-	657,614
Charges for Services	43,462	-	-	43,462
Fines and Forfeitures	147,718	-	-	147,718
Interest	55,433	-	-	55,433
Wellness Center	196,333	-	-	196,333
Miscellaneous Revenues	120,741	-	-	120,741
Total Revenues	2,351,619	262,791	-	2,614,410
Expenditures:				
Current:				
General Government	339,943	-	-	339,943
Public Safety	747,937	-	-	747,937
Highways and Public Improvements	121,244	90,887	-	212,131
Parks and Recreation	691,545	-	-	691,545
Airport	18,617	247,050	-	265,667
Debt Service - Principal	150,000	-	-	150,000
Capital Outlay	-	212,749	-	212,749
Total Expenditures	2,069,286	550,686	-	2,619,972
Excess Revenues Over (Under) Expenditures	282,333	(287,895)	-	(5,562)
Other Financing Sources (Uses):				
Transfers In	160,500	-	-	160,500
Transfers (Out)	(591,873)	591,873	-	-
Total Other Sources (Uses)	(431,373)	591,873	-	160,500
Increase (Decrease) In Fund Balance	(149,040)	303,978	-	154,938
Fund Balance - Beginning	2,791,040	2,286,081	712	5,077,833
Fund Balance - Ending	<u>\$ 2,642,000</u>	<u>\$ 2,590,059</u>	<u>\$ 712</u>	<u>\$ 5,232,771</u>

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 154,938
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The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.	202,786
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	\$ 581,280	
Depreciation Expense	<u>(901,059)</u>	
Total		(319,779)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payment on Bonds	\$ 150,000	
Increase in Compensated Absences	<u>(19,862)</u>	
Total		<u>130,138</u>

Changes In Net Position of Governmental Activities	<u>\$ 168,083</u>
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The notes to the financial statements are an integral part of this statement.

BLANDING CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Fund	Nonmajor Funds	Total
ASSETS:							
Current Assets:							
Cash and Investments	\$ 2,217,625	\$ 1,394,035	\$ 3,792,832	\$ 536,703	\$ 374,206	\$ 441,219	\$ 8,756,620
Cash and Investments - Restricted	125,208	160,570	-	-	37,229	-	323,007
Accounts Receivable	86,242	50,942	265,003	31,661	13,382	22,676	469,906
Other Receivables	-	-	-	1,108	-	-	1,108
Note Receivable	-	-	23,022	-	-	-	23,022
Total Current Assets	2,429,075	1,605,547	4,080,857	569,472	424,817	463,895	9,573,663
Noncurrent Assets:							
Note Receivable	-	-	167,731	-	-	-	167,731
Net Pension Asset	91,556	83,763	98,267	63,927	2,547	5,515	345,575
Capital Assets:							
Not Being Depreciated	2,014,617	94,472	585,791	-	1,668,241	1,307,615	5,670,736
Net of Accumulated Depreciation	12,488,816	4,498,774	3,388,282	2,721,924	465,538	14,755	23,578,089
Total Noncurrent Assets	14,594,989	4,677,009	4,240,071	2,785,851	2,136,326	1,327,885	29,762,131
TOTAL ASSETS	17,024,064	6,282,556	8,320,928	3,355,323	2,561,143	1,791,780	39,335,794
DEFER. OUTFLOWS OF RESOURCES							
	13,671	10,200	21,266	15,664	302	(1,916)	59,187
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 17,037,735	\$ 6,292,756	\$ 8,342,194	\$ 3,370,987	\$ 2,561,445	\$ 1,789,864	\$ 39,394,981
LIABILITIES:							
Current Liabilities:							
Accounts Payable	\$ 11,469	\$ 3,003	\$ 46,976	\$ 9,583	\$ -	\$ 225	\$ 71,256
Accrued Liabilities	-	-	6,787	-	-	-	6,787
Deposits Payable	-	-	122,908	-	-	-	122,908
Accrued Interest Payable	713	28,970	4,508	-	6,992	-	41,183
Note Pay. - Due Within One Year	5,143	-	-	23,022	-	-	28,165
Bonds Pay. - Due Within One Year	92,402	84,000	141,000	-	58,000	-	375,402
Total Current Liabilities	109,727	115,973	322,179	32,605	64,992	225	645,701
Noncurrent Liabilities:							
Note Payable - More Than One Year	10,282	-	-	167,731	-	-	178,013
Bonds Payable - More Than One Year	1,588,032	2,440,654	601,000	-	1,538,000	-	6,167,686
Compensated Absences	43,028	38,641	37,686	27,251	2,818	1,071	150,495
Total Noncurrent Liabilities	1,641,342	2,479,295	638,686	194,982	1,540,818	1,071	6,496,194
TOTAL LIABILITIES	1,751,069	2,595,268	960,865	227,587	1,605,810	1,296	7,141,895
DEFER. INFLOWS OF RESOURCES							
	132,726	124,776	151,555	95,059	3,381	4,141	511,638
NET POSITION:							
Net Investment in Capital Assets	12,807,574	2,068,592	3,232,073	2,721,924	540,326	1,322,370	22,692,859
Restricted for:							
Bond Reserves	125,208	160,570	-	-	37,229	-	323,007
Unrestricted	2,221,158	1,343,550	3,997,701	326,417	374,699	462,057	8,725,582
TOTAL NET POSITION	15,153,940	3,572,712	7,229,774	3,048,341	952,254	1,784,427	31,741,448
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 17,037,735	\$ 6,292,756	\$ 8,342,194	\$ 3,370,987	\$ 2,561,445	\$ 1,789,864	\$ 39,394,981

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For The Fiscal Year Ended June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Fund	Nonmajor Funds	Total
Operating Revenues:							
Charges for Sales and Services:							
Water	\$ 758,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 758,999
Sewer	-	529,211	-	-	-	-	529,211
Electric	-	-	2,901,387	-	-	-	2,901,387
Natural Gas	-	-	-	979,409	-	-	979,409
Sanitation	-	-	-	-	-	263,785	263,785
Storm Water	-	-	-	-	147,696	-	147,696
Connection Fees	3,000	2,500	14,265	11,825	-	-	31,590
Other	9,522	11,223	11,059	18,922	-	-	50,726
Total Operating Revenues	771,521	542,934	2,926,711	1,010,156	147,696	263,785	5,662,803
Operating Expenses:							
Salaries	216,026	196,859	222,839	149,510	6,187	12,992	804,413
Fringe Benefits	90,234	78,097	82,334	52,432	1,718	4,599	309,414
Power and Gas Purchases	-	-	1,854,178	386,898	-	-	2,241,076
Water Purchases	22,368	-	-	-	-	-	22,368
Materials and Supplies	72,194	24,661	241,345	54,504	28	716	393,448
Utilities	37,470	5,693	5,947	3,847	-	149	53,106
Insurance	7,000	10,000	30,808	8,000	500	1,000	57,308
Professional and Technical	25,326	6,440	68,919	9,068	-	230,493	340,246
Other	3,350	400	24,619	245	400	-	29,014
Depreciation	591,631	127,616	179,326	143,434	97,078	590	1,139,675
Total Operating Expenses	1,065,599	449,766	2,710,315	807,938	105,911	250,539	5,390,068
Operating Income	(294,078)	93,168	216,396	202,218	41,785	13,246	272,735
Nonoperating Revenues (Expenses):							
Interest Expense	(35,011)	(41,074)	(20,546)	(2,135)	(22,415)	-	(121,181)
Impact Fees	12,100	4,670	-	-	-	-	16,770
Interest Earned	5,034	3,185	3,977	2,368	1	-	14,565
	214,984	-	-	-	-	-	214,984
Transfer to Other Funds	(24,000)	(9,000)	(90,000)	(30,000)	(1,500)	(6,000)	(160,500)
Benefit Expense GASB 68	33,675	30,808	36,144	23,513	937	2,029	127,106
Total Nonoperating Revenues (Expenses)	206,782	(11,411)	(70,425)	(6,254)	(22,977)	(3,971)	91,744
Change in Net Position	(87,296)	81,757	145,971	195,964	18,808	9,275	364,479
Net Position - Beginning	15,241,236	3,490,955	7,083,803	2,852,377	933,446	1,775,152	31,376,969
Net Position - Ending	<u>\$ 15,153,940</u>	<u>\$ 3,572,712</u>	<u>\$ 7,229,774</u>	<u>\$ 3,048,341</u>	<u>\$ 952,254</u>	<u>\$ 1,784,427</u>	<u>\$ 31,741,448</u>

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Funds	Nonmajor Funds	Total
Cash Flows From Operating Activities:							
Receipts From Customers	\$ 793,107	\$ 546,389	\$ 3,086,917	\$ 1,037,178	\$ 151,534	\$ 265,369	\$ 5,880,494
Payments to Suppliers	(151,007)	(44,813)	(2,309,944)	(449,770)	(576)	(236,108)	(3,192,218)
Payments to Employees	(306,260)	(274,956)	(305,173)	(201,942)	(7,905)	(17,591)	(1,113,827)
Net Cash Provided by Operating Activities	<u>335,840</u>	<u>226,620</u>	<u>471,800</u>	<u>385,466</u>	<u>143,053</u>	<u>11,670</u>	<u>1,574,449</u>
Cash Flows From Capital and Related Financing Activities:							
Impact Fees	12,100	4,670	-	-	-	-	16,770
Transfer to Other Funds	(24,000)	(9,000)	(90,000)	(30,000)	(1,500)	(6,000)	(160,500)
Notes Receivable/Payable Payments	-	-	22,794	(22,794)	-	-	-
ARPA Grant	214,984	-	-	-	-	-	214,984
Capital Asset Additions	(89,258)	-	(317,247)	(48,076)	-	-	(454,581)
Interest Payment on Long-Term Debt	(34,801)	(41,916)	(21,384)	(2,135)	(22,608)	-	(122,844)
Principal Payment on Long-Term Debt	(96,838)	(326,346)	(138,000)	-	(57,000)	-	(618,184)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(17,813)</u>	<u>(372,592)</u>	<u>(543,837)</u>	<u>(103,005)</u>	<u>(81,108)</u>	<u>(6,000)</u>	<u>(1,124,355)</u>
Cash Flows from Investing Activities:							
Interest Earned on Investments	5,034	3,185	3,977	2,368	1	-	14,565
Net Cash Provided from Investing Activities	<u>5,034</u>	<u>3,185</u>	<u>3,977</u>	<u>2,368</u>	<u>1</u>	<u>-</u>	<u>14,565</u>
Increase (Decrease) Cash and Investments	323,061	(142,787)	(68,060)	284,829	61,946	5,670	464,659
Cash and Investments - Beginning	<u>2,019,772</u>	<u>1,697,392</u>	<u>3,860,892</u>	<u>251,874</u>	<u>349,489</u>	<u>435,549</u>	<u>8,614,968</u>
Cash and Investments - Ending	<u>\$ 2,342,833</u>	<u>\$ 1,554,605</u>	<u>\$ 3,792,832</u>	<u>\$ 536,703</u>	<u>\$ 411,435</u>	<u>\$ 441,219</u>	<u>\$ 9,079,627</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:							
Operating Income (Loss)	\$ (294,078)	\$ 93,168	\$ 216,396	\$ 202,218	\$ 41,785	\$ 13,245	\$ 272,734
Adjustment to Reconcile Operating Income To Net Cash Provided By Operating Activities:							
Depreciation	591,631	127,616	179,326	143,434	97,078	590	1,139,675
Increase (Decr.) in Operating Assets:							
Accounts Receivable	21,586	3,454	160,206	27,023	3,838	1,584	217,691
Accounts Payable	10,069	(2,627)	(90,710)	(2,574)	-	(3,972)	(89,814)
Accrued Liabilities	-	-	3,678	13,210	-	-	16,888
Compensated Absences	6,632	5,009	2,904	2,155	352	223	17,275
Total Adjustments	<u>629,918</u>	<u>133,452</u>	<u>255,404</u>	<u>183,248</u>	<u>101,268</u>	<u>(1,575)</u>	<u>1,301,715</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 335,840</u>	<u>\$ 226,620</u>	<u>\$ 471,800</u>	<u>\$ 385,466</u>	<u>\$ 143,053</u>	<u>\$ 11,670</u>	<u>\$ 1,574,449</u>

The notes to the financial statements are an integral part of this statement.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Blanding City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2022.

The following is a summary of the more significant policies:

A. Reporting Entity

Blanding City is a municipal corporation in San Juan County, Utah. It is governed by an elected mayor and five member council. As required by generally accepted accounting principles, these financial statements are of the primary government, Blanding City, the reporting entity. The City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Blanding City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital improvements not being financed by proprietary or nonexpendable trust funds.

The government reports the following non-major governmental fund:

The Community Reinvestment Agency of Blanding City is governed by a six member board, comprised of the Mayor and Five City Council members. The entities purpose is to promote urban renewal, economic development, community development, or any combination of them in certain areas of the City. Activities for the Agency are blended with the City's special revenue funds, but separate financial statements are not issued or required for the Agency.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government reports the following major proprietary funds:

The Water, Sewer, Electric, Natural Gas, Storm Water, Solid Waste, and EDA Arts Funds account for the activities of the City. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments:

The cash balances of substantially all funds are pooled and invested by the City for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The City's investments are reported at amortized cost, which approximates fair value at year-end. The Utah Public Treasurers' Investment Fund (PTIF) operates in accordance with appropriate Utah state laws. Investments are recorded at amortized cost, which approximates fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value of the City's position in the PTIF investment pool is the same as the value of the pool shares. Changes in the fair value in investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to funds based on the average earnings of each participating fund.

Cash and Investments:

The City considers cash and cash equivalents to be cash on hand and demand deposits, and considers investments to be short-term investments with original maturities of three months or less from the date of acquisition, including the PTIF.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water System	40 - 75 Years
Buildings	40 - 57 Years
Machinery and Equipment	10 - 15 Years
Furniture and Fixtures	10 - 20 Years
Vehicles	5 - 10 Years

Long-Term Obligations:

In the government-wide financial statements governmental long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications:

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance classification are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed, and are intended to be used for specific purposes.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary Fund equity is classified the same as in the government-wide statements.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Property Taxes:

Property taxes are assessed and collected for the City by San Juan County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 25% of the next year's budgeted revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the City council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 13.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The City reports unavailable revenues from property taxes and deferred inflows as relating to pensions as described in Note 13. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Date of Subsequent Event Evaluation

Blanding City's subsequent events have been evaluated through the day of the financial statement issuance of September 13, 2022.

Deposits:

Deposits and Investments are carried at amortized cost, which approximates fair value. A reconciliation of cash and investments at June 30, 2022, as shown on the financial statements is as follows:

	Carrying at Fair Value
Cash on Hand	\$ 1,413
Demand Deposits	345,686
Investments - PTIF	13,887,680
Total Cash and Investments	\$14,234,779
Governmental Activities - Unrestricted	\$ 2,011,420
Governmental Activities - Restricted	3,143,732
Business-Type Activities - Unrestricted	8,756,620
Business-Type Activities - Restricted	323,007
Total Cash and Investments	\$14,234,779

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$477,083 of the City's bank balances of \$730,294 was uninsured and uncollateralized.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS

Investments:

The State of Utah Money Management council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse purchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments at amortized cost, which approximates fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- * Level 1: Quoted prices for identical investments in active markets;
- * Level 2: Observable inputs other than quoted market prices; and,
- * Level 3: Unobservable inputs.

At June 30, 2022, the City had the following recurring fair value measurements:

<u>Investments By Fair Value Level</u>	June 30, 2022	<u>Fair Value Measurements Using</u>		
		Level 1	Level 2	Level 3
Debt Securities:				
Public Treasurers'				
Investment Fund	\$ 1,387,680	\$ -	\$ 1,387,680	\$ -
 Total Investments - Fair Value Level	 \$ 1,387,680	 \$ -	 \$ 1,387,680	 \$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- * Utah Public Treasurers' Investment Fund: application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2022, the City's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Public Treasurers' Investment Fund	\$ 1,387,680	\$ 1,387,680	\$ -	\$ -	\$ -
Total	\$ 1,387,680	\$ 1,387,680	\$ -	\$ -	\$ -

Credit Risk

Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations. The city's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At June 30, 2022, the City's investments had the following quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Public Treasurers' Investment Fund	\$ 1,387,680	\$ -	\$ -	\$ -	\$ 1,387,680
Total	\$ 1,387,680	\$ -	\$ -	\$ -	\$ 1,387,680

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments with a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City places no other limits on the amount it may invest in any one issuer.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. As of June 30, 2022, the City had \$13,887,680 in debt security investments, level 2, which were held by the investment's counterparty. The City places no other limits on the amount of investments to be held by counterparties.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 806,779	\$ 49,890	\$ -	\$ 856,669
Construction In Progress	149,530	409,039	53,559	505,010
Total Capital Assets Not Being Depreciated	956,309	458,929	53,559	1,361,679
Capital Assets Being Depreciated:				
Buildings	4,656,842	5,698	-	4,662,540
Improvements	22,369,995	141,741	-	22,511,736
Equipment	2,686,466	28,471	-	2,714,937
Total Capital Assets Being Depreciated	29,713,303	175,910	-	29,889,213
Less Accumulated Depreciation For:				
Buildings	1,849,250	148,369	-	1,997,619
Improvements	9,429,256	644,434	-	10,073,690
Equipment	2,072,278	108,256	-	2,180,534
Total Accumulated Depreciation	13,350,784	901,059	-	14,251,843
Total Capital Assets Being Depreciated (Net)	16,362,519	(725,149)	-	15,637,370
Governmental Activities Capital Assets, Net	\$17,318,828	\$ (266,220)	\$ 53,559	\$16,999,049

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 665,801	\$ 500	\$ -	\$ 666,301
Water Stock	1,720,955	-	-	1,720,955
Construction In Progress	989	325,035	-	326,024
	<u>2,387,745</u>	<u>325,535</u>	<u>-</u>	<u>2,713,280</u>
Total Capital Assets Not Being Depreciated				
Capital Assets Being Depreciated:				
Buildings	3,789,279	-	-	3,789,279
Utility Systems	41,142,292	40,180	-	41,182,472
Equipment	1,745,253	88,864	-	1,834,117
	<u>46,676,824</u>	<u>129,044</u>	<u>-</u>	<u>46,805,868</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation For:				
Buildings	947,130	55,736	-	1,002,866
Utility Systems	16,647,736	1,030,564	-	17,678,300
Equipment	1,535,783	53,375	-	1,589,158
	<u>19,130,649</u>	<u>1,139,675</u>	<u>-</u>	<u>20,270,324</u>
Total Accumulated Depreciation				
Total Capital Assets Being Depreciated (Net)				
	<u>27,546,175</u>	<u>(1,010,631)</u>	<u>-</u>	<u>26,535,544</u>
Business-Type Activities Capital Assets, Net				
	<u>29,933,920</u>	<u>(685,096)</u>	<u>-</u>	<u>29,248,824</u>
Total Assets - Government Wide				
	<u>\$47,252,748</u>	<u>\$ (951,316)</u>	<u>\$ 53,559</u>	<u>\$46,247,873</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities
General Government	\$ 16,997
Public Safety	35,625
Highways and Public Improvements	427,405
Parks and Recreation	191,328
Airport	229,704
Total Depreciation Expense	\$ 901,059

NOTE 4 - NATURAL GAS SYSTEM

The number of properties connected to the natural gas system at June 30, 2022, was 1,221. The number of unconnected homes within the City limits was 440 and the number of applications for natural gas service on hand was 0.

Because of the volatility of the natural gas markets and country wide energy crisis, the Blanding City Council passed a resolution approving rate adjustments to match the changing markets to maintain a mark-up of \$5.00 per dekatherm over City costs. The rate at the end of the year was \$0.6708 per therm.

NOTE 5 - LONG TERM DEBT

Governmental Long-Term Debt

Sales Tax Revenue Bond, Series 2009:

The City issued \$1,500,000 of Sales Tax Revenue Bonds, Series 2009 to be used in the construction of a Wellness Center. Bonds are secured by sales tax revenues. The Bonds are interest free and require annual principal payments of \$50,000, starting July 1, 2012 and ending July 1, 2041.

The following is a summary of debt service charges for the Sales Tax Revenue Bond, Series 2009:

	Principal	Interest	Total
July 1,			
2023	\$ 50,000	\$ -	\$ 50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028-2032	250,000	-	250,000
2033-2037	250,000	-	250,000
2038-2041	200,000	-	200,000
	\$ 950,000	\$ -	\$ 950,000

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
CIB Street Bonds, Series 2013:

The City issued \$1,000,000 of Street Bonds, Series 2013, to be used on city streets. The bonds are interest free and require annual principal payments of \$100,000 beginning January 1, 2013, and ending January 1, 2022. The bonds are secured by an Interlocal Contract with San Juan Transportation Special Service District that has agreed to pay the City \$100,000 per year for ten years to enable the City to make the debt service payment on the bonds. This bond was retired in this fiscal year.

The following is a summary of debt service charges for Governmental Long-Term Debt:

	Direct Placement		
	Bonds		Total
	Principal	Interest	
2023	\$ 50,000	\$ -	\$ 50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028-2032	250,000	-	250,000
2033-2037	250,000	-	250,000
2038-2041	200,000	-	200,000
	\$ 950,000	\$ -	\$ 950,000

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BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
 Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Governmental long-term debt:

	Date of Issue	Interest Rate	Total Authorized	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities:								
Revenue Obligation:								
Sales Tax Revenue Bond	2010	0.0%	\$ 1,500,000	\$ 1,000,000	\$ -	\$ 50,000	\$ 950,000	\$ 50,000
CIB Street Bond	2011	0.0%	1,000,000	100,000	-	100,000	-	-
Total Revenue Obligation			2,500,000	1,100,000	-	150,000	950,000	50,000
General Obligation:								
Net Pension Liability			-	131,414	-	131,414	-	-
Accrued Compensated Absences			-	160,939	19,862	-	180,801	-
Total General Obligation			-	292,353	19,862	131,414	180,801	-
Total Governmental Long-Term Debt			\$ 2,500,000	\$ 1,392,353	\$ 19,862	\$ 281,414	\$ 1,130,801	\$ 50,000

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
Business-Type Long-Term Debt

Water System:

Water Revenue Bonds constitute special obligations of the City, solely secured by a lien on and pledge of the net revenues of the water system. The revenue bonds are collateralized by the revenue of the water system and various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain certain provisions which require the City to maintain pledged revenues, as defined in the ordinances, for each year of at least 1.25 times the average annual debt service requirements. For fiscal year 2022, the "pledged revenues" were 5.77 times the average annual debt service. Therefore, the City was in compliance with this covenant. The ordinances also contain provisions which, along with other items, restrict the issuance of additional revenue bonds unless the sinking reserve funds contain the required amounts and the pledged revenues are equal or greater than 1.25 times the average annual debt service requirements after giving effect to the issuance of the proposed additional bonds.

1983 San Juan Water Conservancy District Agreement:

During December of 1983, the City entered into an agreement with the San Juan Water Conservancy District for the perpetual right to 500 acre feet of District water per water year from the Recapture Dam Project. The terms of the agreement require payment of \$20,000 per year from the City with no interest. The balance at year end was \$60,000.

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2023	\$ 20,000	\$ -	\$ 20,000
2024	20,000	-	20,000
2025	20,000	-	20,000
Total	\$ 60,000	\$ -	\$ 60,000

1997 Contract with San Juan Water Conservancy District:

During fiscal year 1997, the City entered into a long-term contract in the amount of \$144,000, in connection with the purchase of 300 acre feet of water from the San Juan County Conservancy District. The contract is non-interest bearing and is payable in 28 annual installments of \$5,143. The contract matures in 2025. The balance at year end was \$15,425.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2023	\$ 5,143	\$ -	\$ 5,143
2024	5,143	-	5,143
2025	5,139	-	5,139
Total	\$ 15,425	\$ -	\$ 15,425

USDA 2009 Parity Water Revenue Bonds:

During 2009 the City issued \$266,000 of 2009 Parity Water Revenue Bonds through the United States Department of Agriculture. The bonds have an interest rate of 4.25%. Monthly payments of \$1,166 begin August 1, 2012 and mature June 1, 2049. The balance at year end was \$224,404.

The following is a summary of debt service charges for the 2009 USDA Parity Water Revenue Bonds:

	Principal	Interest	Total
2023	\$ 4,543	\$ 9,449	\$ 13,992
2024	4,739	9,253	13,992
2025	4,945	9,047	13,992
2026	5,159	8,833	13,992
2027	5,383	8,609	13,992
2028-2032	30,622	39,338	69,960
2033-2037	37,858	32,102	69,960
2038-2042	46,804	23,156	69,960
2043-2047	57,864	12,096	69,960
2048-2049	26,487	1,172	27,659
	\$ 224,404	\$ 153,055	\$ 377,459

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BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

USDA 2012A Parity Water Revenue Bonds:

During 2012 Blanding City issued \$686,000 of 2012A Parity Water Revenue Bonds through the United States Department of Agriculture for the purpose of financing water improvements and \$485,000 was used to replace existing debt of \$504,413. The bond requires monthly payments of \$2,491 for 437 months with a 3.375% interest rate. The bonds mature May 19, 2049. The balance at year end was \$584,818.

The following is a summary of debt service charges for 2012A USDA Parity Water Revenue Bonds:

	Principal	Interest	Total
2023	\$ 12,519	\$ 17,373	\$ 29,892
2024	12,900	16,992	29,892
2025	13,291	16,601	29,892
2026	13,696	16,196	29,892
2027	14,113	15,779	29,892
2028-2032	77,269	72,191	149,460
2033-2037	89,757	59,703	149,460
2038-2042	104,264	45,196	149,460
2043-2047	121,114	28,346	149,460
2048-2052	125,895	8,862	134,757
	\$ 584,818	\$ 297,239	\$ 882,057

USDA 2012B Parity Water Revenue Bonds:

During 2012 the City issued \$74,000 of 2012B Parity Water Revenue Bonds for the purpose of improving the City's water system. The bonds require monthly payments of \$269 for 436 months with a 3.00% interest rate. The bonds mature April 19, 2049. The balance at year end was \$63,047.

The following is a summary of debt service charges for 2012B USDA Parity Water Revenue Bonds:

	Principal	Interest	Total
2023	\$ 1,355	\$ 1,873	\$ 3,228
2024	1,396	1,832	3,228
2025	1,439	1,789	3,228
2026	1,483	1,745	3,228
2027	1,528	1,701	3,229
2028-2032	8,364	7,776	16,140
2033-2037	9,716	6,424	16,140
2038-2042	11,286	4,853	16,139
2043-2047	13,110	3,030	16,140
2048-2051	13,370	925	14,295
	\$ 63,047	\$ 31,948	\$ 94,995

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

CIB Parity Water Revenue Bond, Series 2012A:

On September 11, 2012, the City issued \$250,000 of Parity Water Revenue Bonds, Series 2012A with 0% interest. The bonds were purchased by the Utah Permanent Community Impact Fund Board. Bonds are secured by the water revenues of the City. Bonds are payable annually on October 1 of each year beginning October 1, 2013 and continuing until October 1, 2032. A reserve fund of \$13,000 is required to be funded over 72 months, beginning December 2013. The balance of the reserve fund at June 30, 2022 is \$13,000.

The following is a summary of debt service charges for the 2012A CIB Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2023	\$ 12,000	\$ -	\$ 12,000
2024	13,000	-	13,000
2025	13,000	-	13,000
2026	13,000	-	13,000
2027	13,000	-	13,000
2028-2032	65,000	-	65,000
2033	13,000	-	13,000
	<u>\$ 142,000</u>	<u>\$ -</u>	<u>\$ 142,000</u>

CIB Parity Water Revenue Bonds, 2013A:

On April 18, 2013, the City issued \$750,000 of Parity Water Revenue Bonds, Series 2013A with 0% interest. The bonds were purchased by the Utah Permanent Community Fund Board. The bonds are secured by the water revenues of the City. The bonds are payable annually on April 1 of each year beginning April 1, 2014 and continuing until April 1, 2033. A reserve fund of \$38,000 is required to be funded over 72 months beginning May of 2014. The balance of the reserve fund at June 30, 2022 is \$38,000.

The following is a summary of debt service charges for the 2013A CIB Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1,			
2023	\$ 38,000	\$ -	\$ 38,000
2024	38,000	-	38,000
2025	38,000	-	38,000
2026	38,000	-	38,000
2027	38,000	-	38,000
2028-2032	190,000	-	190,000
2033	28,000	-	28,000
	<u>\$ 408,000</u>	<u>\$ -</u>	<u>\$ 408,000</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
CIB Parity Water Revenue Bonds, Series 2014:

On March 14, 2014, the City issued \$224,000 of Parity Water Revenue Bonds, Series 2014 with 3.5% interest. The bonds were purchased by the Utah Permanent Community Fund Board. The bonds are secured by the water revenues of the City. The bonds are payable monthly beginning April 14, 2015 and ending February 14, 2054. A reserve fund of \$9,384 is required to be funded over 72 months beginning May of 2014. The balance of the reserve fund at June 30, 2022 is \$9,384.

The following is a summary of debt service charges for the 2014 CIB Parity Water Revenue Bonds:

	Principal	Interest	Total
2023	\$ 3,985	\$ 5,399	\$ 9,384
2024	4,095	5,289	9,384
2025	4,210	5,174	9,384
2026	4,326	5,058	9,384
2027	4,447	4,937	9,384
2028-2032	24,164	22,756	46,920
2033-2037	27,721	19,198	46,919
2038-2042	31,803	15,118	46,921
2043-2047	36,485	10,435	46,920
2048-2052	41,856	5,064	46,920
2053-2054	15,074	359	15,433
	\$ 198,166	\$ 98,787	\$ 296,953

The Water Revenue and Parity Revenue Bonds are secured by revenues from water sales. The following is a summary of total debt service charges for the water system:

	Principal	Interest	Total
2023	\$ 97,545	\$ 34,094	\$ 131,639
2024	99,273	33,366	132,639
2025	100,024	32,611	132,635
2026	75,664	31,832	107,496
2027	76,471	31,026	107,497
2028-2032	395,419	142,061	537,480
2033-2037	206,052	117,427	323,479
2038-2042	194,157	88,323	282,480
2043-2047	228,573	53,907	282,480
2048-2052	207,608	16,023	223,631
2053-2054	15,074	359	15,433
	\$ 1,695,860	\$ 581,029	\$ 2,276,889

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

Sewer System:

CIB Wastewater Revenue Bond, Series 2013:

On May 14, 2013 the City issued Wastewater Revenue Bonds in the amount of \$450,000 for the purpose of paying the cost of wastewater improvements. The bond dated March 1, 2013 and maturing March 1, 2044 carries an interest rate of 1.5% and requires yearly payments of \$12,000 to \$18,000. The bonds are secured from revenues generated by the wastewater system.

The following is a summary of debt service charges for the Wastewater Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1,			
2023	\$ 14,000	\$ 5,235	\$ 19,235
2024	14,000	5,025	19,025
2025	14,000	4,815	18,815
2026	14,000	4,605	18,605
2027	14,000	4,395	18,395
2028-2032	75,000	18,675	93,675
2033-2037	81,000	12,990	93,990
2038-2042	87,000	6,660	93,660
2043-2044	36,000	810	36,810
	<u>\$ 349,000</u>	<u>\$ 63,210</u>	<u>\$ 412,210</u>

CIB DWQ Wastewater Revenue Bond, Series 2018:

On April 26, 2018 the City issued DWQ Wastewater Revenue Bonds in the amount of \$2,557,000 for the purpose of paying the cost of wastewater improvements. The bond dated April 26, 2018 and maturing October 1, 2049 carries an interest rate of 1.5% and requires yearly payments of \$106,000 to \$108,000. The bonds are secured from revenues generated by the wastewater system.

The following is a summary of debt service charges for the DWQ Wastewater Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2022	\$ 70,000	\$ 32,635	\$ 102,635
2023	71,000	31,585	102,585
2024	72,000	30,520	102,520
2025	73,000	29,440	102,440
2026	74,000	28,345	102,345
2027-2031	390,000	124,623	514,623
2032-2036	419,000	94,532	513,532
2037-2041	452,000	62,133	514,133
2042-2046	487,000	27,182	514,182
2047-2050	67,654	1,015	68,669
	<u>\$ 2,175,654</u>	<u>\$ 462,010</u>	<u>\$ 2,637,664</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
Storm Water System:

Storm Water Revenue Refunding Bonds, Series 2018:

On August 28, 2018 the City issued Storm Water Revenue Refunding Bonds, in the amount of \$323,000 for the purpose of refunding the 2008 Storm Water Revenue Bonds. The bonds dated August 28, 2018, and maturing on June 15, 2033, carries an annual interest rate between 1.95% and 3.70% and requires annual payments of between \$16,000 and \$27,000. The bonds are secured from revenues generated by the storm water system.

The following is a summary of debt service charges for the Storm Water Revenue Refunding Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 15,			
2023	\$ 20,000	\$ 6,401	\$ 26,401
2024	20,000	6,237	26,237
2025	21,000	6,013	27,013
2026	21,000	5,700	26,700
2027	22,000	5,239	27,239
2028-2032	120,000	16,935	136,935
2033	27,000	999	27,999
	<u>\$ 251,000</u>	<u>\$ 47,524</u>	<u>\$ 298,524</u>

Parity Storm Water Revenue Bond, Series 2021:

On October 8, 2019, the City issued Storm Water Revenue Bonds, in the amount of \$1,425,000 for the purpose of installing and improving the storm drain system in the City. The bonds mature on January 1, 2050, carry an annual interest rate of 1.00% and require annual payments of between \$50,000 and \$58,000. The bonds are secured from revenues generated by the storm water system.

The following is a summary of debt service charges for the Storm Water Revenue Refunding Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 1,			
2023	\$ 38,000	\$ 13,450	\$ 51,450
2024	38,000	13,070	51,070
2025	39,000	12,690	51,690
2026	39,000	12,300	51,300
2027	40,000	11,910	51,910
2028-2032	215,000	53,460	268,460
2033-2037	244,000	41,970	285,970
2038-2042	256,000	29,530	285,530
2043-2047	269,000	16,470	285,470
2048-2050	167,000	3,350	170,350
	<u>\$ 1,345,000</u>	<u>\$ 208,200</u>	<u>\$ 1,553,200</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

Electric System:

Electric Revenue Bond, Series 2018:

On March 30, 2018 the City issued Electric Revenue Bonds in the amount of \$1,400,000 for the purpose of paying the cost of electric power system improvements. The bond dated March 30, 2018 and maturing April 1, 2027 carries an interest rate of 2.43% and requires yearly payments of \$125,000 to \$156,000. The bonds are secured from revenues generated by the electric system.

The following is a summary of debt service charges for the Electric System Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1,			
2023	\$ 141,000	\$ 18,031	\$ 159,031
2024	145,000	14,604	159,604
2025	148,000	11,081	159,081
2026	152,000	7,484	159,484
2027	156,000	3,791	159,791
	<u>\$ 742,000</u>	<u>\$ 54,991</u>	<u>\$ 796,991</u>

The following is a summary of total debt service charges to maturity for business-type activities:

	<u>Direct Placement</u>		<u>Direct Borrowing</u>		<u>Total</u>
	<u>Bonds</u>		<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 375,402	\$ 109,846	\$ 5,143	\$ -	\$ 490,391
2024	382,130	103,887	5,143	-	491,160
2025	388,885	97,730	5,139	-	491,754
2026	374,664	91,361	-	-	466,025
2027	382,471	84,706	-	-	467,177
2028-2032	1,195,419	355,754	-	-	1,551,173
2033-2037	977,052	267,918	-	-	1,244,970
2038-2042	989,157	186,646	-	-	1,175,803
2043-2047	1,020,573	98,369	-	-	1,118,942
2048-2052	442,262	20,388	-	-	462,650
2053-2054	15,074	359	-	-	15,433
	<u>\$6,543,089</u>	<u>\$ 1,416,964</u>	<u>\$ 15,425</u>	<u>\$ -</u>	<u>\$ 7,975,478</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Business-Type long-term debt:

	Date of Issue	Interest Rate	Total Authorized	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Business-Type Activities:								
Revenue Obligation:								
Water								
	1983	0.0%	\$ 800,000	\$ 80,000	\$ -	\$ 20,000	\$ 60,000	\$ 20,000
	1997	0.0%	144,000	20,568	-	5,143	15,425	5,143
	2009	4.3%	266,000	228,758	-	4,354	224,404	4,543
	2012	3.375%	686,000	596,967	-	12,149	584,818	12,519
	2012	3.0%	74,000	64,362	-	1,315	63,047	1,355
	2012	0.0%	250,000	154,000	-	12,000	142,000	12,000
	2013	0.0%	750,000	446,000	-	38,000	408,000	38,000
	2014	3.5%	224,000	202,042	-	3,876	198,166	3,985
			<u>3,194,000</u>	<u>1,792,697</u>	<u>-</u>	<u>96,837</u>	<u>1,695,860</u>	<u>97,545</u>
Sewer								
	2013	1.50%	450,000	362,000	-	13,000	349,000	14,000
	2018	1.50%	2,557,000	2,489,000	-	313,346	2,175,654	70,000
			<u>3,007,000</u>	<u>2,851,000</u>	<u>-</u>	<u>326,346</u>	<u>2,524,654</u>	<u>84,000</u>
Storm Water:								
	2018	1.95% - 3.70%	323,000	270,000	-	19,000	251,000	20,000
	2020	1.0%	1,425,000	1,383,000	-	38,000	1,345,000	38,000
			<u>1,748,000</u>	<u>1,653,000</u>	<u>-</u>	<u>57,000</u>	<u>1,596,000</u>	<u>58,000</u>
Electricity:								
	2017	2.43%	1,400,000	880,000	-	138,000	742,000	141,000
			<u>9,349,000</u>	<u>7,176,697</u>	<u>-</u>	<u>618,183</u>	<u>6,558,514</u>	<u>380,545</u>
General Obligation:								
			-	-	-	-	-	-
			-	133,221	17,275	-	150,496	-
			<u>-</u>	<u>133,221</u>	<u>17,275</u>	<u>-</u>	<u>150,496</u>	<u>-</u>
			<u>\$ 9,349,000</u>	<u>\$ 7,309,918</u>	<u>\$ 17,275</u>	<u>\$ 618,183</u>	<u>\$ 6,709,010</u>	<u>\$ 380,545</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - BOND RESERVES

The following is a summary of changes in Bond Reserves:

	<u>Maximum Required</u>	<u>Balance June 30, 2021</u>	<u>Annual Deposit</u>	<u>Balance June 30, 2022</u>
Business-Type Funds:				
USDA Water Bonds, 2012A	\$ 29,892	\$ 29,892	\$ -	\$ 29,892
USDA Water Bonds, 2012A - M	31,704	31,704	-	31,704
USDA Water Bonds, 2012B	3,228	3,228	-	3,228
CIB Water Bonds, 2012A	13,000	13,000	-	13,000
CIB Water Bonds, 2013A	38,000	38,000	-	38,000
CIB Water Bonds, 2014	9,384	9,384	-	9,384
CIB Waste Water Bonds, 2013	19,235	19,235	-	19,235
CIB Waste Water Bonds, 2013-S	19,015	6,143	269	6,412
CIB Waste Water Bonds, 2018	106,471	33,706	10,644	44,350
CIB Waste Water Bonds, 2018-S	70,903	70,903	(2,480)	68,423
CIB Waste Water Bonds, 2018-E	53,236	16,834	5,316	22,150
CIB Storm Water Bonds, 2021-S	21,596	21,596	(158)	21,438
CIB Storm Water Bonds, 2021	57,420	10,049	5,742	15,791
	<u>\$ 473,084</u>	<u>\$ 303,674</u>	<u>\$ 19,333</u>	<u>\$ 323,007</u>
Total Bond Reserves - Bus.	<u>\$ 473,084</u>	<u>\$ 303,674</u>	<u>\$ 19,333</u>	<u>\$ 323,007</u>

NOTE 7 - COMPENSATED ABSENCES

Compensated absences of Blanding City in the proprietary fund and the governmental fund represent accrued vacation at year end in the amount of \$331,297.

The following is a schedule of changes in compensated absences:

	<u>Balance June 30, 2021</u>	<u>Net</u>		<u>Balance June 30, 2022</u>
		<u>Increases</u>	<u>Decreases</u>	
Governmental	\$ 160,939	\$ 19,862	\$ -	\$ 180,801
Proprietary Fund	133,220	17,275	-	150,495
Total Compensated Absences	<u>\$ 294,159</u>	<u>\$ 37,137</u>	<u>\$ -</u>	<u>\$ 331,296</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 8 - CLASS C ROAD FUND

The following schedule outlines the transactions in the Class C Road Fund for the fiscal year ended June 30, 2022:

Balance - Beginning of Year		\$ 513,178
Receipts:		
Class C Road Allotment	\$ 274,240	
Interest Earnings	2,407	
Total Receipts		276,647
Disbursements		(195,825)
Balance - End of Year		\$ 594,000

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and disasters. The City maintains insurance coverage for most all risks through the Utah Local Government Trust including general liability, errors and omissions, property damage, and other coverages. The Trust also provides medical and health coverage for the City.

Claims have not exceeded coverage in any of the last three calendar years.

NOTE 10 - TAX ABATEMENTS

Blanding City negotiates property tax abatement agreements on an individual basis. The City has utilized the Community Reinvestment Agency to establish abatement agreements. Each agreement was negotiated under Utah Code Section 17C which allows the use of funds for community development projects and stipulated a percentage of property tax valuation above a specified base for which the property tax paid would be returned to the paying party. The percentage of abatement will be set by resolution. As stipulated by the abatement agreements, to qualify for return of the abated amounts the party must have a business in operation, must be current in its tax payments, provide proof of current payments, and request the refund. Agreements with two entities were in effect during the year ending June 30, 2022.

NOTE 11 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 12 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund account balances as shown in the fund financial statements consisted of the following:

	Note Receivable Reported In	
Note Payable reported in:	<u>Electric Fund</u>	<u>Total</u>
Natural Gas Fund	\$ 190,753	\$ 190,753
Total Interfund Balances	\$ 190,753	\$ 190,753

On April 14, 2021 the Electric Fund of the City issued a loan in the amount of \$236,115 to the Natural Gas Fund for the purpose providing funds for ongoing operations. The loan dated April 14, 2021 and maturing July 1, 2029 carries an interest rate of 1.00% and requires yearly payments of \$24,929.51.

The following is a summary of debt service charges for the Note Receivable/Payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 1,			
2022	\$ 23,022	\$ 1,908	\$ 24,930
2023	23,252	1,677	24,929
2024	23,485	1,445	24,930
2025	23,720	1,210	24,930
2026	23,957	973	24,930
2027	24,196	733	24,929
2028	24,438	491	24,929
2029	24,683	247	24,930
	\$ 190,753	\$ 8,684	\$ 199,437

Interfund transfers for the year ended June 30, 2022 are shown in the following table:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 160,500	\$ 243,000
Water Fund	-	24,000
Sewer Fund	-	9,000
Electric Fund	-	90,000
Natural Gas Fund	-	30,000
Storm Water Fund	-	1,500
Solid Waste Fund	-	6,000
Capital Projects	243,000	-
Totals	\$ 403,500	\$ 403,500

Transfers are used to (1) cover costs associated with administration and overhead related to services provided by the City (2) fund future planned capital projects and, (3) fund future planned projects promoting economic growth.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN

General Information about the Pension Plan

Plan Description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans:

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

The Public Safety Retirement System (Public Safety System) is a cost sharing, multi-employer public employee retirement system.

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah, 84102 or visiting the website:

www.urs.org/general/publications.

Benefits Provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as shown on the following page.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)
Summary of Benefits By System:

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or Age Eligible for Benefit</u>	<u>Benefit Percent Per Year of Service</u>	<u>COLA**</u>
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 2020 2.0% per year July 2020 to present	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022, are as shown on following page:

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

Utah Retirement Systems:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
111 - Local Governmental Division - Tier 2	N/A	16.07%	0.62%
Noncontributory System			
15 - Local Governmental Division - Tier 1	N/A	18.47%	N/A
Public Safety System:			
Contributory:			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	N/A
122 - Tier 2 DB Hybrid Public Safety	2.27%	25.83%	0.74%
Noncontributory:			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%

***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 119,086	N/A
Public Safety System	49,691	-
Tier 2 Public Employees System	46,068	-
Tier 2 Public Safety and Firefighter	36,582	-
Tier 2 DC Only System	10,133	N/A
Total Contributions	\$ 261,560	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Deferred Inflows of Resources Relating to Pensions:

At June 30, 2022, we reported a net pension asset of \$539,619 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021		Proportionate Share - 2021	Proportionate Share - 2020	Change (Decrease)
	Net Pension Asset	Net Pension Liability			
Noncontributory System	\$ 437,675	\$ -	0.0764217%	0.0793577%	-0.0029360%
Public Safety System	92,594	-	0.1136428%	0.1006203%	0.0130225%
Tier 2 Public Employees System	6,740	-	0.0159237%	0.0177415%	-0.0018178%
Tier 2 Public Safety/Firefighter System	2,910	-	0.0575818%	0.0514765%	0.0061053%
Total	\$ 539,919	\$ -			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, we recognized pension expense of (\$68,446).

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,465	\$ 1,346
Changes in assumptions	66,808	4,366
Net difference between projected and actual earnings on pension plan investments	-	864,287
Changes in proportion and differences between contributions and proportionate share of contributions	18,664	25,193
Contributions subsequent to the measurement date	130,554	-
Total	\$ 275,491	\$ 895,192

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

\$130,554 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	<u>Deferred Outflows (Inflows) of Resources (Net)</u>
2022	\$ (153,716)
2023	\$ (256,554)
2024	\$ (209,217)
2025	\$ (142,158)
2026	\$ 1,721
Thereafter	\$ 9,668

Actuarial Assumptions:

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-219 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	37.00%	6.58%	2.43%
Debt Securities	20.00%	-0.28%	-0.06%
Real Assets	15.00%	5.77%	0.87%
Private Equity	12.00%	9.85%	1.18%
Absolute Return	16.00%	2.91%	0.47%
Cash and Cash Equivalents	0.00%	-1.01%	0.00%
Totals	100.00%		4.89%
			Inflation 2.50%
			Expected arithmetic nominal return 7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85%) or 1 percentage point higher (7.85%) than the current rate:

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

<u>System</u>	<u>1% Decrease or 5.85%</u>	<u>Discount Rate or 6.85%</u>	<u>1% Increase or 7.85%</u>
Noncontributory System	\$ 235,351	\$ (437,675)	\$ (999,185)
Public Safety System	227,628	(92,294)	(352,093)
Tier 2 Public Employees System	40,155	(6,740)	(42,745)
Tier 2 Public Safety and Firefighter	23,348	(2,910)	(23,756)
	<u>\$ 526,482</u>	<u>\$ (539,619)</u>	<u>\$ (1,417,779)</u>

Pension Plan Fiduciary Net Position:

***Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans:

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under section 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provision is available in the separately issued URS financial report.

Blanding City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- * 401(k) Plan
- * Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
401(K) Plan:			
Employer Contributions	\$ 17,764	\$ 13,881	\$ 16,677
Employee Contributions	\$ 35,314	\$ 24,455	\$ 21,945
Roth IRA Plan:			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,400	\$ 2,400	\$ 2,400

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

BLANDING CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS
For The Fiscal Year Ended June 30, 2022

Budgetary Comparison Schedules:

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the City's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Budgetary Compliance:

For the year ended June 30, 2022, spending for all funds and departments of the City was within the approved budgets.

BLANDING CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	
Revenues:				
Taxes:				
General Property Taxes	\$ 275,000	\$ 275,000	\$ 308,104	\$ 33,104
General Sales and Use Taxes	850,000	850,000	997,406	147,406
Room Tax	32,342	32,342	35,606	3,264
Franchise Taxes	12,600	12,600	19,315	6,715
Total Taxes	<u>1,169,942</u>	<u>1,169,942</u>	<u>1,360,431</u>	<u>190,489</u>
Licenses and Permits	<u>23,915</u>	<u>24,915</u>	<u>32,678</u>	<u>7,763</u>
Intergovernmental Revenue:				
Class C Road	280,000	280,000	274,240	(5,760)
State Liquor Allotment	8,000	8,000	15,149	7,149
State Grants	134,500	141,625	15,945	(125,680)
ARPA Grant	400,000	400,000	-	(400,000)
Federal Grants	50,000	50,000	-	(50,000)
Contributions from County	164,867	164,867	89,489	(75,378)
Total Intergovernmental Revenue	<u>1,037,367</u>	<u>1,044,492</u>	<u>394,823</u>	<u>(649,669)</u>
Charges for Services:				
Airport	29,000	29,000	42,962	13,962
Fire	-	-	500	500
Total Charges for Services	<u>29,000</u>	<u>29,000</u>	<u>43,462</u>	<u>14,462</u>
Fines and Forfeitures	<u>136,880</u>	<u>136,880</u>	<u>147,718</u>	<u>10,838</u>
Miscellaneous:				
Interest	39,506	39,506	55,433	15,927
Recreation Revenue	48,000	48,000	21,381	(26,619)
Visitor's Center	13,300	13,300	14,716	1,416
Wellness Center Revenue	190,000	190,000	196,333	6,333
Sale of Surplus Property	15,800	15,800	3,998	(11,802)
Miscellaneous	42,500	42,500	80,646	38,146
Total Miscellaneous Revenue	<u>349,106</u>	<u>349,106</u>	<u>372,507</u>	<u>23,401</u>
Contributions and Transfers:				
Fund Balance Appropriated	56,000	129,418	-	(129,418)
Transfers In	160,500	160,500	160,500	-
Total Contributions and Transfers	<u>216,500</u>	<u>289,918</u>	<u>160,500</u>	<u>(129,418)</u>
Total Revenues	<u>\$ 2,962,710</u>	<u>\$ 3,044,253</u>	<u>\$ 2,512,119</u>	<u>\$ (532,134)</u>

BLANDING CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis) (See Note A)	
Expenditures:				
General Government:				
Legislative	\$ 17,928	\$ 17,928	\$ 16,475	\$ 1,453
Judicial	119,314	152,314	151,164	1,150
Administration	487,012	472,682	98,657	374,025
Attorney	5,850	12,350	11,605	745
Planning and Zoning	61,090	61,090	62,042	(952)
Total General Government	<u>691,194</u>	<u>716,364</u>	<u>339,943</u>	<u>376,421</u>
Public Safety:				
Police	799,567	757,567	667,831	89,736
Fire	149,098	149,098	80,106	68,992
Total Public Safety	<u>948,665</u>	<u>906,665</u>	<u>747,937</u>	<u>158,728</u>
Highway and Public Improvements:				
Construction and Maintenance	105,163	95,163	95,825	(662)
City Engineer	27,973	27,973	25,419	2,554
Class C Roads - Bond Payment	100,000	100,000	100,000	-
Total Highways and Public Improvements	<u>233,136</u>	<u>223,136</u>	<u>221,244</u>	<u>1,892</u>
Parks and Recreation:				
Visitor's Center	124,276	124,276	116,415	7,861
Parks	227,704	227,704	229,792	(2,088)
Wellness Center	395,688	395,688	395,338	350
Total Parks and Recreation	<u>747,668</u>	<u>747,668</u>	<u>741,545</u>	<u>6,123</u>
Miscellaneous:				
Airport	16,510	19,010	18,617	393
Increase in Fund Balance	82,537	82,537	-	82,537
Total Miscellaneous	<u>99,047</u>	<u>101,547</u>	<u>18,617</u>	<u>82,930</u>
Transfers Out	<u>243,000</u>	<u>348,873</u>	<u>591,873</u>	<u>(243,000)</u>
Total Expenditures	<u>2,962,710</u>	<u>3,044,253</u>	<u>2,661,159</u>	<u>383,094</u>
Excess Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(149,040)	<u>\$ (149,040)</u>
Fund Balance - Beginning			<u>2,791,040</u>	
Fund Balance - Ending			<u>\$ 2,642,000</u>	

BLANDING CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
Measurement Date of December 31, 2021
June 30, 2022
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
Proportion of the Net Pension Liability (Asset)				
2014	0.0926158%	0.1104256%	0.0082119%	0.0186931%
2015	0.0820545%	0.1153445%	0.0106732%	0.0621595%
2016	0.0818853%	0.1207075%	0.0123761%	0.0544802%
2017	0.0808854%	0.1387556%	0.0166501%	0.0325426%
2018	0.0810380%	0.1644007%	0.0190057%	0.0322714%
2019	0.0827764%	0.1234238%	0.0190669%	0.0536723%
2020	0.0793577%	0.1006203%	0.0177415%	0.0514765%
2021	0.0764217%	0.1136428%	0.0159237%	0.0575818%
Proportionate Share of the Net Pension Liability (Asset)				
2014	\$ 402,160	\$ 138,869	\$ (249)	\$ (277)
2015	\$ 464,304	\$ 206,611	\$ (23)	\$ (908)
2016	\$ 525,804	\$ 244,949	\$ 1,381	\$ (473)
2017	\$ 354,383	\$ 217,660	\$ 1,468	\$ (377)
2018	\$ 604,590	\$ 422,935	\$ 8,140	\$ 809
2019	\$ 311,973	\$ 198,171	\$ 4,288	\$ 5,049
2020	\$ 40,706	\$ 83,539	\$ 2,552	\$ 4,617
2021	\$ (437,675)	\$ (92,294)	\$ (6,740)	\$ (2,910)
Covered Employee Payroll				
2014	\$ 800,386	\$ 219,959	\$ 40,260	\$ 7,799
2015	\$ 706,198	\$ 166,174	\$ 68,956	\$ 36,991
2016	\$ 720,519	\$ 169,646	\$ 101,493	\$ 45,013
2017	\$ 692,549	\$ 204,843	\$ 162,721	\$ 34,377
2018	\$ 698,846	\$ 243,040	\$ 221,422	\$ 43,201
2019	\$ 704,548	\$ 168,187	\$ 265,012	\$ 88,468
2020	\$ 671,340	\$ 131,412	\$ 283,634	\$ 102,168
2021	\$ 621,917	\$ 142,387	\$ 295,900	\$ 137,700
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll				
2014	50.20%	63.10%	-0.60%	-3.60%
2015	65.75%	124.33%	-0.03%	-2.45%
2016	72.98%	144.39%	1.36%	-1.05%
2017	51.17%	106.26%	0.90%	-1.10%
2018	86.51%	174.02%	3.68%	1.87%
2019	44.28%	117.83%	1.62%	5.71%
2020	6.06%	63.57%	0.90%	4.52%
2021	-70.38%	-64.82%	-2.28%	-2.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
2014	90.20%	90.50%	103.50%	120.50%
2015	87.80%	87.10%	100.20%	110.70%
2016	87.30%	86.50%	95.10%	103.60%
2017	91.90%	90.20%	97.40%	103.00%
2018	87.00%	84.70%	90.80%	95.60%
2019	93.70%	90.90%	96.50%	89.60%
2020	99.20%	95.50%	98.30%	93.10%
2021	108.70%	104.20%	103.80%	102.80%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will need to be built prospectively. The schedule above is for 2014 through 2021.

BLANDING CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2022

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to The Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Noncontributory System	2013	\$ 124,781	\$ 124,781	\$ -	\$ 777,936	16.04%
	2014	\$ 138,514	\$ 138,514	\$ -	\$ 798,679	17.34%
	2015	\$ 138,801	\$ 138,801	\$ -	\$ 834,169	16.64%
	2016	\$ 131,110	\$ 131,110	\$ -	\$ 709,855	18.47%
	2017	\$ 131,299	\$ 131,299	\$ -	\$ 710,880	18.47%
	2018	\$ 127,892	\$ 127,892	\$ -	\$ 692,429	18.47%
	2019	\$ 132,439	\$ 132,439	\$ -	\$ 717,048	18.47%
	2020	\$ 127,959	\$ 127,959	\$ -	\$ 692,793	18.47%
	2021	\$ 116,145	\$ 116,145	\$ -	\$ 628,833	18.47%
	2022	\$ 119,086	\$ 119,086	\$ -	\$ 644,756	18.47%
Public Safety System	2013	\$ 44,245	\$ 44,245	\$ -	\$ 139,950	31.61%
	2014	\$ 49,467	\$ 49,467	\$ -	\$ 237,737	20.81%
	2015	\$ 57,601	\$ 57,601	\$ -	\$ 202,205	28.49%
	2016	\$ 52,093	\$ 52,093	\$ -	\$ 153,036	34.04%
	2017	\$ 64,779	\$ 64,779	\$ -	\$ 192,591	33.64%
	2018	\$ 76,583	\$ 76,583	\$ -	\$ 224,978	34.04%
	2019	\$ 69,931	\$ 69,931	\$ -	\$ 205,438	34.04%
	2020	\$ 51,841	\$ 51,841	\$ -	\$ 152,295	34.04%
	2021	\$ 46,008	\$ 46,008	\$ -	\$ 135,158	34.04%
	2022	\$ 49,691	\$ 49,691	\$ -	\$ 145,978	34.04%
Tier 2 Public Employees System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ 2,826	\$ 2,826	\$ -	\$ 20,200	13.99%
	2015	\$ 7,896	\$ 7,896	\$ -	\$ 52,851	14.94%
	2016	\$ 10,999	\$ 10,999	\$ -	\$ 73,759	14.91%
	2017	\$ 19,304	\$ 19,304	\$ -	\$ 129,468	14.91%
	2018	\$ 28,095	\$ 28,095	\$ -	\$ 185,937	15.11%
	2019	\$ 37,472	\$ 37,472	\$ -	\$ 241,136	15.54%
	2020	\$ 41,692	\$ 41,692	\$ -	\$ 266,230	15.66%
	2021	\$ 47,184	\$ 47,184	\$ -	\$ 298,635	15.80%
	2022	\$ 46,068	\$ 46,068	\$ -	\$ 286,670	16.07%

BLANDING CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2022

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Tier 2 Public Safety and Firefighter System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ 5,548	\$ 5,548	\$ -	\$ 24,601	22.55%
	2016	\$ 9,587	\$ 9,587	\$ -	\$ 42,603	22.50%
	2017	\$ 9,701	\$ 9,701	\$ -	\$ 43,115	22.50%
	2018	\$ 7,922	\$ 7,922	\$ -	\$ 35,099	22.57%
	2019	\$ 14,186	\$ 14,186	\$ -	\$ 61,438	23.09%
	2020	\$ 20,954	\$ 20,954	\$ -	\$ 90,606	23.13%
	2021	\$ 31,083	\$ 31,083	\$ -	\$ 120,339	25.83%
2022	\$ 36,582	\$ 36,582	\$ -	\$ 141,626	25.83%	
Tier 2 Public Employees DC Only System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	\$ -	\$ -	\$ -	\$ -	0.00%
	2020	\$ 3,003	\$ 3,003	\$ -	\$ 44,882	6.69%
	2021	\$ 5,979	\$ 5,979	\$ -	\$ 89,369	6.69%
2022	\$ 10,133	\$ 10,133	\$ -	\$ 151,460	6.69%	

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

BLANDING CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
For The Fiscal Year Ended June 30, 2022

Changes in Assumptions:

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

**COMBINING FINANCIAL
STATEMENTS**

BLANDING CITY
NONMAJOR PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2022

PROPRIETARY FUNDS

Proprietary Funds are used to account for revenues and expenses resulting from providing services and producing and delivering goods in connection with the funds principal ongoing operations.

Solid Waste Fund:

This fund is used to account for revenues and expenditures relating to solid waste management in the City.

EDA Arts Fund:

This fund accounts for the City's participation in the EDA Arts building on the college campus.

**BLANDING CITY
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUNDS
June 30, 2022**

	<u>Solid Waste Fund</u>	<u>EDA Arts Fund</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Current Assets:			
Cash and Investments:			
Unrestricted	\$ 441,219	\$ -	\$ 441,219
Accounts Receivable - Net	<u>22,676</u>	<u>-</u>	<u>22,676</u>
Total Current Assets	<u>463,895</u>	<u>-</u>	<u>463,895</u>
Noncurrent Assets:			
Capital Assets:			
Net Pension Assets	5,515		5,515
Not Being Depreciated	-	1,307,615	1,307,615
Net of Accumulated Depreciation	<u>14,755</u>	<u>-</u>	<u>14,755</u>
Total Noncurrent Assets	<u>20,270</u>	<u>1,307,615</u>	<u>1,327,885</u>
TOTAL ASSETS	<u>484,165</u>	<u>1,307,615</u>	<u>1,791,780</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	<u>(1,916)</u>	<u>-</u>	<u>(1,916)</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 482,249</u>	<u>\$ 1,307,615</u>	<u>\$ 1,789,864</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ 225</u>
Total Current Liabilities	<u>225</u>	<u>-</u>	<u>225</u>
Noncurrent Liabilities:			
Compensated Absences	<u>1,071</u>	<u>-</u>	<u>1,071</u>
Total Noncurrent Liabilities	<u>1,071</u>	<u>-</u>	<u>1,071</u>
TOTAL LIABILITIES	<u>1,296</u>	<u>-</u>	<u>1,296</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	<u>4,141</u>	<u>-</u>	<u>4,141</u>
NET POSITION			
Net Investment In Capital Assets	14,755	1,307,615	1,322,370
Unrestricted	<u>462,057</u>	<u>-</u>	<u>462,057</u>
TOTAL NET POSITION	<u>476,812</u>	<u>1,307,615</u>	<u>1,784,427</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 482,249</u>	<u>\$ 1,307,615</u>	<u>\$ 1,789,864</u>

BLANDING CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For The Year Ended June 30, 2022

	<u>Solid Waste Fund</u>	<u>EDA Arts Fund</u>	<u>Total Nonmajor Funds</u>
Operating Revenues:			
Charges for Services:			
Sanitation	\$ 263,785	\$ -	\$ 263,785
Total Operating Revenues	<u>263,785</u>	<u>-</u>	<u>263,785</u>
Operating Expenses:			
Salaries	12,992	-	12,992
Fringe Benefits	4,599	-	4,599
Materials and Supplies	716	-	716
Utilities	149	-	149
Insurance	1,000	-	1,000
Professional and Technical	230,493	-	230,493
Depreciation	590	-	590
Total Operating Expenses	<u>250,539</u>	<u>-</u>	<u>250,539</u>
Operating Income	<u>13,246</u>	<u>-</u>	<u>13,246</u>
Nonoperating Revenues (Expenses):			
Net Pension Expense Related to Pensions	2,029	-	2,029
Operating Transfers Out	(6,000)	-	(6,000)
Total Nonoperating Revenue (Expense)	<u>(3,971)</u>	<u>-</u>	<u>(3,971)</u>
Change in Net Position	9,275	-	9,275
Net Position - Beginning	<u>467,537</u>	<u>1,307,615</u>	<u>1,775,152</u>
Net Position - Ending	<u>\$ 476,812</u>	<u>\$ 1,307,615</u>	<u>\$ 1,784,427</u>

BLANDING CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended June 30, 2022

	<u>Solid Waste Fund</u>	<u>Total Nonmajor Funds</u>
Cash Flows From Operating Activities:		
Receipts From Customers	\$ 265,369	\$ 265,369
Payments to Supplies	(236,108)	(236,108)
Payments to Employees	<u>(17,591)</u>	<u>(17,591)</u>
Net Cash Provided by Operating Activities	<u>11,670</u>	<u>11,670</u>
Cash Flows from Investing Activities:		
Transfer to Other Fund	<u>(6,000)</u>	<u>(6,000)</u>
Net Cash Provided From Investing Activities	<u>(6,000)</u>	<u>(6,000)</u>
Increase (Decrease) Cash and Investments	5,670	5,670
Cash and Investments - Beginning	<u>435,549</u>	<u>435,549</u>
Cash and Investments - Ending	<u><u>\$ 441,219</u></u>	<u><u>\$ 441,219</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Income	<u>\$ 13,245</u>	<u>\$ 13,245</u>
Adjustments to Reconcile Operating Income To Net Cash Provided By Operating Activities:		
Depreciation	590	590
Increase (Decrease) in Operating Assets:		
Accounts Receivable	1,584	1,584
Accounts Payable	(3,972)	(3,972)
Compensated Absences	<u>223</u>	<u>223</u>
Total Adjustments	<u>(1,575)</u>	<u>(1,575)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 11,670</u></u>	<u><u>\$ 11,670</u></u>

(This page contains no information and
is used to assist in formatting for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, the business-type activities, each major fund and the aggregate remaining fund information of Blanding City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Blanding City's basic financial statements, and have issued our report thereon dated September 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blanding City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blanding City's internal control. Accordingly, we do not express an opinion on the effectiveness of Blanding City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blanding City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Blanding City in a separate management letter dated September 13, 2022.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing or internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kimball & Roberts, PC

Certified Public Accountants

September 13, 2022
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

Report on Compliance with General State Compliance Requirements

We have audited Blanding City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022, in the following areas:

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Governmental Fees
Justice Courts	Impact Fees
Restricted Taxes and Related Revenues	

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, Blanding City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Kimball & Roberts, PC

Certified Public Accountants

September 13, 2022
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

September 13, 2022

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

During our audit of the funds of Blanding City for the fiscal year ending June 30, 2022, we noted certain circumstances that, if improved, would strengthen the City's accounting system and control over its assets. These items are discussed below for your consideration.

1. Expenditures

Condition:

During the test of expenditures, there were instances of no supporting documentation or proper approval. Even though the City is following its policies on purchasing, there is a lack of evidence for an outside source to verify that approval was documented when the purchase exceeds the purchasing policy limits.

Criteria:

No approval of purchase documented on invoice.

Cause:

Those responsible for review and approval did not sign or initial and date their approval.

Effect:

Purchases of unapproved goods or services could result.

Auditor's Recommendation:

We recommend that all expenditures have supporting documentation and that proper approval is noted on all expenditures when amounts exceed purchasing policy limits.

Blanding City's Response:

The finance department will require all invoices to be approved by the responsible department, regardless of amount. Invoices that are lacking department approval will be unpaid until approval is made. Employees will receive a refresher on the importance of signatures on invoices. Quotes, bids, and other documentation will be required on all purchases that require this documentation. A purchase order process will be implemented in the next few months. This process will better track and document approval of purchases, that exceed the purchasing limits.

2. **Classification of Independent Contractors Vs Employee:**

Condition:

We noted that the City “Volunteer Firefighters and Other Individual Vendors” are being classified as independent contractors. However, as referenced by IRS code, it appears that these firefighters and other vendors may need to be classified as employees.

Criteria:

Individuals meeting the conditions to be classified as employees should be treated as employees.

Cause:

Currently some individuals are shown as independent contractors, when it appears they should be treated as employees.

Effect:

This could result in the City being required to pay payroll taxes on those individuals treated as independent contractors.

Auditor’s Recommendation:

We recommend that the City review the IRS code for classification of Independent Contractors vs. Employee and classify them appropriately.

Blanding City’s Response:

After reviewing IRS guidelines, Independent contractors who meet IRS guidelines for employees have been moved to an employee status. Independent contractors who are also City employees will be removed as an independent contractor.

3. **Timesheets:**

Condition:

We noted during the audit that timesheets are being prepared using paper timesheets and being submitted at the end of the month.

Criteria:

Electronic timesheets could give a more accurate time worked for those hourly employees.

Cause:

As noted, timesheets are kept manually on paper.

Effect:

This could result in over or under payment of time worked for employees paid on an hourly basis.

Auditor's Recommendation:

We recommend that an electronic time keeping process be instituted via programs available that work with the present accounting system PELORUS.

Blanding City's Response:

Blanding City is currently working to implement "Time-Keeper" which is electronic time keeping program that is provided by Pelorus Accounting Software. Implementation will take place this Fall. Staff will receive training on the process.

Suggestion: Electronic Management of Invoices

This is just a comment on the use of recording invoices electronically instead of saving all the paper invoices. This method is used by other entities and has offered a savings of time and better management of the paper invoices. Each department generating the purchase can approve these electronically. Management can review and approve them also. This too can be done through your present accounting system PELORUS.

Respectfully submitted,

Kimball & Roberts, PC

Certified Public Accountants

RGR/kw